

Message Text

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PAGE 01 MADRID 07495 281636Z

47

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 EA-07 NEA-10 ISO-00 CAB-02

CIAE-00 COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00

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R 281516Z OCT 75

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 3424

INFO AMEMBASSY PANAMA

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

US LO PEKING 10

C O N F I D E N T I A L MADRID 7495

E.O. 11652: GDS

TAGS: EAIR, SP, JA, IR, CU, CH, CZ

SUBJECT: IBERIA'S PLANS

REF: PANAMA 6472 STATE 251707

1. BEGIN SUMMARY: EMBOFF ASCERTAINED FROM IBERIA SEC GEN THAT AIRLINE PLANS REDUCE SCHEDULES TO US. CONVERSATION ALSO ELICITED IBERIA DISCUSSING MADRID-TEHRAN-PEKING-TOKYO AND HAVANA-MADRID-PRAGUE ROUTES. MEXICO ROUTE LOSS COST IBERIA \$25 MILLION ANNUAL REVENUES. IN PROCUREMENT, AIRBUS PRESSURES RECENTLY RENEWED. IN AIRPORT SECURITY, IBERIA TRYING TO GET BY ON 100 PERCENT PASSENGER CHECK AND NO METAL DETECTORS. END SUMMARY

2. EMBOFF DISCUSSED INCREASE IN IBERIA'S SCHEDULES TO THE US, IN THE LIGHT OF REFDEPTEL WITH IBERIA SECRETARY GENERAL VINIEGRA. HE STATED THERE WOULD BE A REDUCTION IN THAT SERVICE FOLLOWING A RESTRUCTURING OF THE AIRLINE'S ROUTES (READ LOSS OF TRAFFIC TO MEXICO). ON NOVEMBER 1, IBERIA PLANS TO SUSPEND TWO FLIGHTS BETWEEN MALAGA AND NEW YORK.

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PAGE 02 MADRID 07495 281636Z

3. CONCERNING OTHER SCHEDULE CHANGES, HE STATED THAT IBERIA IS NEGOTIATING WITH BOTH JAPAN AND CHINA FOR ROUTES TO TOKYO AND PEKING RESPECTIVELY. TOKYO IS A LESS INTERESTING ROUTE FOR IBERIA THAN MADRID IS FOR JAL, SINCE MADRID LEADS TO MANY MORE OTHER POINTS THAN DOES TOKYO. PEKING IS NOT AT ALL INTERESTING, BUT A TECHNICAL STOP BETWEEN TEHRAN WHICH IBERIA ALREADY HAS, AND TOKYO IS NECESSARY. VINIEGRA SAID IBERIA HAD CHECKED WITH FOREIGN MINISTRY AND BEEN GIVEN A GREEN LIGHT, HOWEVER THERE WAS NO STRONG ENCOURAGEMENT EITHER.

4. IBERIA IS ALSO DISCUSSING ITS ROUTE TO HAVANA WITH CUBANA DE AVIACION. THE CUBAN AIRLINE WAS HOPING FOR A HAVANA-MADRID-EAST BERLIN ROUTE, BUT THE GOS WOULD NOT ALLOW IT IN VIEW OF THE RECENT BREAK IN RELATIONS BETWEEN SPAIN AND EAST GERMANY. VINIEGRA SAID HIS COMPANY MIGHT GET A ROUTE MADRID-HAVANA-SAN JOSE DE COSTA RICA. THE CUBAN AIRLINE WOULD PROBABLY GET A HAVANA-MADRID-PRAGUE ROUTE IN EXCHANGE.

5. IBERIA HAS BEEN CONSIDERABLY HURT BY THE LOSS OF ITS SERVICE TO MEXICO. THE MADRID-MONTREAL-MEXICO CITY ROUTE HAD BEEN RUN WITH 747'S, WHICH HAVE NOW HAD TO BE REPLACED WITH DC'8'S. THE SPAIN-CANADA TRAFFIC IS WEAK AND EXPECTED TO CONTINUE THAT WAY UNTIL THE 1976 OLYMPICS INCREASE IT. HE SAID IBERIA HOPED THEN TO BE ABLE TO RUN CHARTERS WITH ITS 747'S AND RECOUP PART OF ITS LOSSES, WHICH HE GAVE AS ROUGHLY 1-1/2 BILLION PESETAS (\$25 MILLION).

6. CONCERNING AIRCRAFT PROCUREMENT, HE VOLUNTEERED THAT IBERIA IS AGAIN UNDER PRESSURE TO BUY THE AIRBUS. IBERIA REPRESENTATIVES HAVE BEEN TO PARIS AND AIRBUS REPRESENTATIVES HAVE COME TO MADRID IN DISCUSSIONS WHICH ARE STILL GOING ON. THE AIRBUS REPRESENTATIVES WOULD LIKE IBERIA TO TAKE AT LEAST ONE IN 1976 WHILE IBERIA IS INSISTING IT CANNOT DO SO UNTIL 1980. MR. VINIEGRA STOUTLY DENIED RECENT REPORTS IN THE SPANISH PRESS THAT IBERIA PLANNED TO GET RID OF ITS 747'S.

7. CONVERSATION TOOK UP AIRPORT SECURITY. VINIEGRA TOLD EMBOFF IBERIA PASSENGERS TO US ARE FRISKED 100 PERCENT AND CONFIDENTIAL

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PAGE 03 MADRID 07495 281636Z

ALL HAND LUGGAGE IS OPENED AND INSPECTED. HE ADDED THAT THE AIRLINE COULD NOT AFFORD METAL DETECTORS FOR ALL ITS FLIGHTS OUT OF SPAIN AND WAS FOR THE MOMENT MEETING FAA REQUIREMENTS (AS HE UNDERSTOOD THEM) FOR FLIGHTS TO THE US WITH A 100 PERCENT FRISKING AND OPENING ALL HAND LUGGAGE. ECAC (EUROPEAN CIVIL AVIATION CONFERENCE), HE UNDERSTOOD, WOULD REQUIRE THE ENFORCEMENT OF FAA AIRPORT SECURITY RULES STARTING JANUARY 1 AND IBERIA WANTED TO AVOID HAVING TO GO TO THE EXPENSE OF

USING METAL DETECTORS ON ALL FLIGHTS TO ECAC MEMBER COUNTRIES. HE EMPHASIZED THAT ALL IBERIA FLIGHTS FROM SPAIN (LEAVING FROM MADRID, MALAGA, AND LAS PALMAS) GET THIS 100 PERCENT CHECK.

8. HE NOTED SOME CONCERN AT THE LATEST ECAC MEETING ON THE SUBJECT ABOUT SECURITY ON CHARTER FLIGHTS. UNDER THE AFFINITY RULES THERE COULD BE SOME ASSUMPTION THAT THE PASSENGERS HAD BEEN UNDER SOME CONTROL, SUCH AS THE REQUIREMENT THAT THEY BELONG TO THE SAME ORGANIZATION. BUT WITH ADVANCE PAYMENT THE ONLY REQUIREMENT THE HIGHJACKING OF A CHARTER AIRCRAFT BECAME A POSSIBILITY. FOR THIS REASON, ECAC, HE STATED, PLANNED TO ENFORCE SECURITY ON CHARTER AS WELL AS SCHEDULED FLIGHTS IN THE NEAR FUTURE.

9. THE CONVERSATION THEN TURNED TO OTHER SPANISH AIRLINES AND THE AIR MINISTRY. SPANTAX, THE MAIN SPANISH CHARTER CARRIER, VINIEGRA STATED, WAS NOT AN INI COMPANY, AND NEITHER ITS PRESIDENT NOR VICE PRESIDENT HAD THE CAPITAL TO ESTABLISH AN AIRLINE. HE SPECULATED THAT AMERICAN AIRLINES, WHICH SOLD IT THE CORONADOES WITH WHICH IT BEGAN ITS OPERATIONS, MIGHT HAVE BACKED IT. VINIEGRA EXPRESSED THE VIEW THAT O'CONNOR AND DE CARA, TWO PREVIOUS DG'S OF CIVIL AVIATION, HAD BEEN BIASED TOWARDS SPANTAX, BUT YNIGUEZ, THE PRESENT INCUMBENT IS NOT.
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